Medicines at reasonable prices

1993. SHRI GIREESH KUMAR SANGHI:
SHRI RAVULA CHANDRA SEKAR REDDY:
SHRI DHARAM PAL SABHARWAL:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have set up any norms for the pharmaceutical companies to keep the prices of drugs under control so that the same should remain within the reach of a common man;

(b) if so, what are the norms and how such companies are allowed to raise the prices of drugs arbitrarily;

(c) if not, how Government propose to set guidelines for them in order to check the prices of important drugs; and

(d) what action Government propose to initiate against the companies who have recently increased prices of their drugs more than 100 per cent and give the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. These drugs have been kept under price control on the basis of criteria mentioned in 'Modifications in Drug Policy, 1986', announced in September, 1994. The price fixation/revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

The monitoring of prices of non-scheduled formulations is currently on the basis of data from ORG IMS.

Companies are short listed where there is an increase in price of a non-scheduled formulation by more than 20% in one year and the annual turnover of the formulation pack exceeds Rs. 1 crore. Further, the share of the formulator in that segment of the formulation is required to be at least 20% of the market or the medicine is one of the top 3 selling brands of the group. The criteria, namely, high turnover and 20% price increase are designed to identify cases of mass consumption and to meet the requirement of 'public interest', referred to in para 10(b) of the DPCO, 1995.

Monitoring of prices of non-Scheduled formulations is an ongoing exercise undertaken by the NPPA. Recently, this Department/NPPA has issued orders for reduction in the prices of 14 formulations by 0.50% to 24.54%. Now the NPPA has been authorized to take up such cases itself and reduce prices to the permissible level, if necessary. In case a company fails to adhere to the price so fixed by the NPPA, a case of overcharging will be processed against that company by NPPA.

Study in price rise of medicines

†1994. DR. MURLI MANOHAR JOSHI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the prices of various medicines in the country have doubled during the last year and prices of these medicines have been increased from 6 per cent to 10 per cent within the last two months;

(b) if so, the details thereof and the names of the medicines whose prices have been increased;

(c) whether Government have conducted any study regarding causes and the justification of this price rise; and

(d) if so, the details of the study report thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) National Pharmaceutical Pricing Authority (NPPA) an attached office of the Department of Chemicals

†Original notice of the question was received in Hindi.